GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:785
ANSWERED ON:24.11.2009
PRICE OF COTTON SLIVER NO
Kodikunnil Shri Suresh

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the Khadi and Village Industries Commission (KVIC) without consulting the Khadi and Village Industries Board has raised the price of cotton sliver;

(b) if so, the details thereof and reasons therefor;

(c) whether the Government is aware that any rise in the price of cotton sliver is likely to adversely affect the khadi sector;

(d) if so, whether the Government has any proposal to reconsider the price of cotton sliver to give a boost to the khadi sector; and

(e) if so, the time by which a final decision in this regard is likely to be taken?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) MICRO,SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA PATEL)

(a) and (b): No, Sir. There are six Central Sliver Plants managed by the Khadi and Village Industries Commission (KVIC), a statutory body under the administrative control of this Ministry and it has constituted an Advisory Committee for each Central Sliver Plant (CSP) for reviewing various issues like requirement of working capital, quality of sliver/roving, pricing of sliver/roving, sales promotion, etc. The representative of the respective State Khadi and Village Industries Board where the CSP is located as well as representatives of khadi institutions are members of the Advisory Committee. Any changes in the pricing of sliver/roving therefore, are made in consultation with the Committee which inter alia has representatives of the respective State Khadi and Village Industries Boards where the CSPs are located.

(c) and (d): Yes, Sir. The Government is aware about the system of pricing being adopted by CSPs for deciding the cost of sliver / roving. Normally the costing of sliver / roving is worked out on `no profit no loss` basis by taking into consideration the cost of raw material, processing charges, consumption of power, salary and wages of the staff and workers etc. As the price of the sliver /roving is calculated on `no profit no loss` basis at present, there is no plan for reducing the price of cotton sliver.

(e): Does not arise.